

## **COUNCIL ORDINARY MEETING**

**29 January 2019**

Held in the Council Chambers, Administration Building

**The meeting commenced at 9.00 am.**

*Pursuant to section 13 of Council's Local Law No 2 (Council Meetings) 2013, the Interim Administrator invited the Interim Management Committee members present being Simone Webbe, Jan Taylor, Stan Gallo, Steve Greenwood and Robert Jones to address the Council on any matters before it.*

*The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Charter they will also declare Conflict of Interests and potential Conflict of Interests.*

### **ATTENDANCE AT COMMENCEMENT**

#### **MEMBER'S ATTENDANCE:**

Greg Chemello (Interim Administrator)

#### **INTERIM MANAGEMENT COMMITTEE:**

Simone Webbe, Jan Taylor, Stan Gallo, Steve Greenwood and Robert Jones

### **ACKNOWLEDGEMENT OF COUNTRY**

Ipswich City Council respectfully acknowledges the Traditional Owners as custodians of the land upon which we meet. We pay our respects to their elders, past, present and emerging, as the keepers of the traditions, cultures and stories of a proud people.

### **OPENING PRAYER**

Let us in silence pray or reflect upon our responsibilities to the people of Ipswich.

We meet today to serve our community,  
to use our resources wisely and well,  
to represent all members of our community fairly,  
and to make decisions that promote the common good.

### **CONFIRMATION OF MINUTES OF ORDINARY MEETING**

The Interim Administrator of the Ipswich City Council resolves:

That the Minutes of the Council Ordinary Meeting held on 4 December 2018 be confirmed.

The motion was put and carried.

**CONFIRMATION OF  
MINUTES OF SPECIAL  
COUNCIL MEETING**

The Interim Administrator of the Ipswich City Council resolves:

That the Minutes of the Special Council Meeting held on 20 December 2018 be confirmed.

The motion was put and carried.

**RECEPTION AND  
CONSIDERATION OF  
COMMITTEE REPORTS**

The Interim Administrator of the Ipswich City Council resolves:

That the Economic Development Committee Report No. 2019(01) of 22 January 2019 be received and adopted.

**DISCUSSION**

The Interim Administrator noted that event sponsorship is an important role for council. He noted that clarity and transparency was important for all parties involved, for organisers to be clear about council's expectations and for council to be transparent in the provision of sponsorship monies to ensure community confidence is maintained.

The motion was put and carried.

The Interim Administrator of the Ipswich City Council resolves:

That the Growth and Infrastructure Committee Report No. 2019(01) of 22 January 2019 be received and adopted.

**CONFLICT OF INTEREST  
GREG CHEMELLO**

The Interim Administrator noted the Conflict of Interests declared in the Growth and Infrastructure Committee in relation to:

- Item 4 – Expression of Interest for Consultancy Services to Prepare components of the new Ipswich Planning Scheme - the nature of the perceived interest is that in his previous roles, most of the consulting companies that will respond to the Expression of Interest process are likely to be former colleagues and/or personal friends and that he has also been involved with project management consultation leading up to the adoption of the Toowoomba planning scheme.
- Item 6 - Proposed Amendments to Delegations and Planning and Development Fees and Charges - this was also as a result of his previous role as General Manager of Economic Development Queensland, the state government agency responsible for planning the Ripley Priority Development Area.

**CONFLICT OF INTEREST  
STEVE GREENWOOD**

The Interim Administrator noted that Steve Greenwood from the Interim Management Committee had declared a conflict of interest in relation to:

- Item 4 – Expression of Interest for Consultancy Services to prepare components of the new Ipswich Planning Scheme - the nature of the perceived interest is that in his previous roles, most of the consulting companies that will respond to the Expression of Interest process are likely to be former colleagues and/or personal friends.

**DISCUSSION**

The Interim Administrator stated that in relation to Item 4 of the Growth and Infrastructure Committee titled 'Expression of Interest for Consultancy Services to Prepare Components of the new Ipswich Planning Scheme' that this was a key opportunity for the Ipswich community to have their say on their views about growth and development across the city. A number of comments have been received from the community outlining their concerns and criticisms of the current planning scheme. The Interim Administrator stated that he completely understands these views and that he had participated in a number of very honest and robust discussions with community representatives on the planning and development assessment system and that the way forward was through a new planning scheme. It was noted that a key responsibility for the council was to consult openly and honestly with its community in the next couple of years on a new planning scheme to reset the planning benchmarks. This was not being critical of the current scheme it was just that staff need to comply with the current scheme as do the community and developers and the way to change things would be through a new scheme.

The motion was put and carried.

That the Communities Committee Report No. 2019(01) of 22 January 2019 be received and adopted.

**DISCUSSION**

The Interim Administrator thanked staff for the progressive refinement of the community donations policy/guidelines. He stated that council was a long way from where they were a year ago in terms of dealing with grants to community organisations and that he was happy for Council to continue to adjust the policy to achieve greater transparency and clarity on the way through.

The motion was put and carried.

That the Environment Committee Report No. 2019(01) of 22 January 2019 be received and adopted.

The motion was put and carried.

That the Governance Committee Report No. 2019(01) of 22 January 2019 be received and adopted.

**DISCUSSION**

The Interim Administrator highlighted the submission of the unqualified financial statements after a very lengthy audit of council's reports from the Queensland Audit Office. He also acknowledged that for the first time, council has presented the full financial documentation for the controlled entities (council owned companies) to form part of the public record. Thanks were given to all staff involved.

The motion was put and carried.

**OFFICER'S REPORT**

Officer's Report -  
Queensland Audit C

**QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT REPORTS****DISCUSSION**

That the report by the Chief Operating Officer (Finance and Corporate Services) dated 17 January 2019 providing an update on the audit of Ipswich City Council, Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich City Enterprises Investment Pty Ltd and Ipswich Motorsport Park Pty Ltd financial statements for the 2017-2018 financial year be received and adopted.

In considering the report, the Interim Administrator noted that this presented the full financial reports of the controlled entities, the companies controlled by council.

**RECOMMENDATION:**

That the Interim Administrator of Ipswich City Council resolves:

- A. That the Queensland Audit Office Final Management Reports 2017 -2018 for Ipswich City Council and its controlled entities as per Attachments A, B, C, D, E and F to the report of the Chief Operating Officer (Finance and Corporate Services) dated 17 January 2019, be received and noted.
- B. That the Queensland Audit Office Final Management Reports 2017-2018, as per Attachments A, B, C, D, E and F to the report of the Chief Operating Officer (Finance and Corporate Services) of 17 January 2019, be referred to Council's Audit and Risk Management Committee for consideration.

The motion was put and carried.

In accordance with section 7 of Subordinate Local Law (2.1 Council Meetings) the Interim Administrator moved that a late officer's report on Cameron Park – Future Use of Parkland and Facilities be considered.

**OFFICER'S REPORT**

\*\*\*\*



Officer's Report -  
Cameron Park - Futu

**CAMERON PARK– FUTURE USE OF PARKLAND AND FACILITIES****DISCUSSION**

That the report by the Acting Corporate Services and Risk Manager dated 4 January 2019 on the proposed future use of parkland and facilities at Cameron Park be received and adopted.

In considering the report, the following matters were raised by the Interim Administrator and Interim Management Committee members:

The Interim Administrator invited the Chief Operating Officer (Works, Parks and Recreation) (Bryce Hines) to address the meeting in relation to the Officer's Report.

**BRYCE HINES COMMENT**

Bryce Hines provided an overview of the committee report:

Council took possession of the Swifts Leagues Club on Brisbane Road a number of years ago due to a mortgagee type settlement. The building functions as a sports club with a large number of poker machine licences besides a liquor and gaming venue that also supports the adjacent bowls club. Because it is reaching the end of its useable life, council undertook a condition assessment on the building. That report indicates that approximately \$1.5 to \$2 million needs to be spent on asset replacement and maintenance on the building over the course of the next ten years. Under the terms of the lease, responsibility for this expenditure lies with the council.

It is questionable whether Council should be investing such funds in a leagues club and therefore council has been exploring some options:

- Option A - sell the premises to Swifts
- Option B - invest up to two million dollars over the next number of years into the building to ensure it meets standards
- Option C - buy Swifts out of the lease, demolish the building as it currently stands and refocus the site as a venue for lawn bowls.

It was noted that both options B and C would both cost ratepayers a significant amount of money.

Council has been in negotiations with Swifts Sports Club as they have expressed an interest in buying the facility. Council has been working on this for the last couple of months and finally reached the point where Council has an in-principle agreement on the land and the price for the sale of the building. Council can sell directly to Swifts as there is an exemption under the Local Government Act to sell directly to a community group without going through an open tender process, subject to the price being equivalent or more than the valuation and the club meeting their requirements as far as demonstrating they are a community club. These two criteria have now been met and the

purpose of the report is twofold, one is that we are recommending to proceed with the sale of the footprint to the Swifts Club but to ensure there is a direct nexus in terms of community benefit from that sale. The site is surrounded by Cameron Park which under the planning scheme is a district level recreation park and at this point in time, the embellishment of this park does not meet our desired standard of service. The recommendation for the second stage is that to demonstrate the community benefit from this sale the proceeds of the sale be utilised to do a significant upgrade of Cameron Park to enable it to meet the desired standard of service and start to meet the potential. To date the park has delivered an acceptable standard of service because it is surrounded with low density residential but medium residential change is starting to occur which is increasing demands.

## DISCUSSION

The Interim Administrator and members of the Interim Management Committee raised and discussed the following matters in relation to the officer's report:

- Whether there would be any community concerns or resistance from a continuation or upgraded Swifts Sports Club operations at the site
- Whether any development approvals would be needed; it was noted that the sport club can continue to operate and be refurbished but any other possible change of use such as a shopping centre would require a development application, and probably be refused as it is zoned for recreation use
- Whether any other parties had expressed an interest in the site; it was noted that Swifts had indicated they would be seeking a business partner if they obtained ownership of the site
- The fact that site ownership would allow Swifts and their business partners to borrow funds against the value of the property for capital investment and upgrades
- The history of site management and maintenance that has led to the current situation of the club being in arrears in rent and operating costs, including whether there could be any claim against the club or the council (or both) for lack of compliance with their respective obligations under the lease
- If a sale was contemplated, the need to ensure value-for-money and compliance with the legislation; that the price was at or above market value and the club was for a "community purpose"
- How the council can be assured that this situation doesn't arise again, where the building condition becomes poor
- The possible need to obtain a second independent valuation, preferably by a valuer not traditionally used by council
- The possibility of including a caveat on the title for any sale so that the site must always continue as a community use
- The possibility that council could require approval of any prospective business partner for the Swifts to ensure continued community use.

**CLOSED SESSION**

It was moved by the Interim Administrator that in accordance with section 275(1)(e) – *contracts proposed to be made by it* - of the *Local Government Regulation 2012*, the meeting move into closed session to discuss the Officer's Report titled Cameron Park – Future Use of Parkland and Facilities.

The meeting moved into closed session at 9.29 am.

It was moved by the Interim Administrator that the meeting move into open session.

The meeting moved into open session at 9.49 am.

**DISCUSSION**

The Interim Administrator stated that the discussion in closed session was about the risks to council, the community, as well as Swifts and the process on which council had undertaken the investigation and reached its conclusions. In addressing some of these risks, the Interim Administrator asked the Chief Operating Officer (Works, Parks and Recreation) (Bryce Hines) to talk through the community benefits of the process for Swifts and for the community and noted that some of the matters discussed could have been in the open officer's report however these would now be discussed in open session.

**BRYCE HINES COMMENT**

Bryce Hines made comment that the nature of sporting clubs such as Swifts was that they utilise their leagues club as a means of raising funds which they are required under their constitution to reinvest back into sport and recreation activities. An example would be Swifts, in addition to operating the leagues club, they would support the bowls club on site, as well as a number of sporting teams around the city such as the Swifts Rugby League Club which was one of the largest in the city and others such as Hockey. Bryce stated that for a club like this to be in a situation where they find themselves losing money, was in fact a detriment to the community in the sense that they don't have the funds to be able to invest in those sporting activities. In short a successful club means more revenue which means more assistance to the range of sporting clubs that they support. One of the positive outcomes of the potential sale of this facility and the assumption that the operation will improve, was that they will have additional funds available to them to support sporting clubs in the city.

In terms of further protections for the community, should that be the decision, Bryce suggested a recommendation that Council proceed with a caveat on title to ensure that the premises remain for community purposes which he understood Council could do and that to further test the market value, under the Local Government Act, he suggested a further recommendation that the sale be subject to a further independent valuation from a valuer that potentially was not on council's current panel to ensure full independence.

Bryce suggested that the recommendations be amended to include the following:

- That the sale of the property be subject to a further valuation from an independent valuer to test the market value.
- That a condition of the sale be subject to a caveat on title being placed on the property so that it can only be used for community purposes.
- That reinvestment of funds be back into parkland.

**INTERIM  
ADMINISTRATOR  
RESPONSE**

The Interim Administrator agreed that the caveat on title and the independent valuation should be an additional recommendation to A to G in the officer's report.

The Interim Administrator made comment that the matter regarding using the surplus proceeds was already included in recommendation G and that he was happy to leave that recommendation as it was. He also stated that this didn't obligate the council to use the surplus proceeds and that it would be Council's intention to apply some part of this money to the upgrade of the park. The Interim Administrator made comment that there might be other higher community priorities for sport and recreation facilities than this matter and that he didn't want to constrain council's budget parameters overall by giving 100% of council's proceeds of sale to this. He stated that he thought the current wording in Recommendation G covered this adequately.

**AMENDMENT**

It was moved by the Interim Administrator that the report by the Acting Corporate Services and Risk Manager dated 4 January 2019 on the proposed future use of parkland and facilities at Cameron Park be received and adopted subject to the inclusion of Recommendations H and I.

- H. That a further independent valuation by a valuer, other than those on Council's panel of providers, be sought to confirm the initial valuation.
- I. That a caveat be placed on Title for the land to be disposed of that ensures that its use in perpetuity is for purposes consistent with the current use.



**RECOMMENDATION:**

That the Interim Administrator of Ipswich City Council resolve:

- A. That part of Council-owned land at 95A Brisbane Road, Booval (part of Lot 169 on RP24111), being approximately 1.633 hectares, as identified in Attachment A as "Proposed Land Disposal" (the Land) to the report by the Acting Corporate Services and Risk Manager dated 4 January 2019, is surplus to Council's future requirements.
- B. That the disposal of the Land and the improvements of the Land is a disposal of a valuable non-current asset.
- C. That pursuant to section 236(3) of the *Local Government Regulations 2012* (Qld) (Regulations), that the exemption available under section 236(1)(b)(ii) of the Regulations applies to the disposal of the Land and the improvements on the Land to Swifts as a 'Community Organisation' (as defined Schedule 8 of the Regulations).
- D. That the Land and improvements on the Land can be disposed of other than by tender or auction as required by section 227 of the Regulations.
- E. That Council sell the Land and the improvements on the Land to Swifts Leagues Club Ltd at equal to the market value of the Land (including the market value of the improvements on the Land), as determined by a registered valuer, in compliance with section 236(3) of the Regulations.
- F. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the sale contract to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
- G. That Council may utilise any surplus proceeds from the disposal of the Land to redevelop, upgrade or otherwise embellish Cameron Park to meet the desired standards of service for a district park.

**MEETING CLOSED**

The meeting closed at 9.55 am.

\*\*\*\* Refer Council Ordinary Meeting Minutes of 26 February 2019 for amendment \*\*\*\*